

# Customer Relationship Management Practices and Impact on Customer Satisfaction of Delivering

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## Abstract

The purpose of this study was to examine the various facts of CRM (Customer Relationship Management) practices adopted by Manatec in Puducherry. The research design in this study will consist of descriptive research whereby different aspects with regards to CRM in the Manatec have been extracted from existing studies and tested on a sample of customers. This study examined the demographic profile of customers, customer awareness of CRM policies, customer perception on CRM practices, factors influencing CRM practices and role of E-CRM measures of Manatec in customer satisfaction. This study utilized 52 samples in various parts of Puducherry. The data for the study have been collected through a questionnaire. The statistical tools like simple percentage, chi-square, correlation and factor analysis was used in this study. This study revealed that the customer relationship management practices followed in Manatec are satisfactory to the customers.

**Keywords:** Customer perception, Customer relationship management, CRM Policies, CRM practices, Customer awareness.

## 1. INTRODUCTION

Customer relationship management (CRM) has attracted the expanded attention of practitioners and scholars. More and more companies are adopting customer-centric strategies, programs, tools, and technology for efficient and effective customer relationship management. They are realizing the need for in-depth and integrated customer knowledge in order to build close cooperative and partnering relationships with their customers. CRM is a business strategy that aims to understand, anticipate and manage the needs of an organization current and potential customers. It is a comprehensive approach which provides seamless integration of every area of business that touches the customer-namely marketing, sales, customer service and field support through the integration of people, process and technology.

The emergence of new channels and technologies is significantly altering how companies interface with their customers, a development bringing about a greater degree of integration between marketing, sales, and customer service functions in organizations. For practitioners, CRM represents an enterprise approach to developing full-knowledge about customer behavior and preferences and to developing programs and strategies that encourage customers to continually enhance their business relationship with the company. Marketing scholars are studying the nature and scope of CRM and are developing conceptualizations regarding the value and process of cooperative and collaborative relationships between buyers and sellers. Many scholars with interests in several sub-disciplines of marketing, such as channels, services marketing, business-to-business marketing, advertising, and so forth, are actively engaged in studying and exploring the conceptual foundations of managing relationships with customers. They are interested in strategies and processes for customer classification and selectivity; one-to-one relationships with individual customers; key account management and customer business development processes; frequency marketing, loyalty programs, cross-selling and up-selling opportunities; and various forms of partnering with customers including co-branding, joint marketing, co-development, and other forms of strategic alliances. Scholars from other academic disciplines, particularly those interested in the area of information systems and decision technologies, are also exploring new methodologies and techniques that create efficient frontline information systems (FIS) to effectively manage relationships with customers. Several software tools and technologies claiming solutions for various aspects of CRM have recently been introduced for commercial application.

## 2. LITERATURE REVIEW

Customer Relationship Management (CRM) in a bank entails important phases such as integrating the communication tools to meet the needs of customers, treating each customer as individuals, and making the customer relationship an imposing and perpetual experience. The aim of this research is to determine the effectiveness of CRM implementation on customer satisfaction and perceived business performance Hui-I 2002.

The business environment is transforming from a product-centric to customer-centric. CRM as a customer-oriented business approach is considered as one of the powerful capabilities in organizations which help them to transform themselves into a customer-centric environment. Financial, customer, internal process and innovation perspective also confirmed as constructs of CRM performance. Nejatian 2011. This study seeks to identify the relationship between CRM performance and e-banking adoption. CRM performance is the process of value creation which results into the customer behaviour intention (retain, repurchase, positive word of mouth), customer satisfaction and loyalty towards the product/brand Wahab 2009.

The purpose of this study is to develop a CRM model and empirically test its underlying constructs in the banking and financial sector in Jordan. The empirical data were collected from a convenient sample of 141 banks and financial institutions, drawn from three major Jordanian cities. A drop-off method of data collection was used. The findings show that Jordanian banks and financial institutions were likely to have a clear CRM strategic vision with specific goals and programs, Alsmadi 2011. Customer Relationship Management (CRM) has been seen as a major trend during the recent years in Chinese companies. It is undoubted that technique plays an important role in CRM, but Customer Relationship Management (CRM) has been seen as a major trend during the recent years in Chinese companies. It is undoubted that technique plays an important role in CRM, but it is only a way and one of the factors which make CRM work normally. Xiaoyu Li 2008. Effective and efficient use of IT capability is a key factor for a firm to get competitive advantages. This paper develops the concept of IT-capability and its function mechanism, firm IT resources are classified as IT infrastructure, human IT resources, and IT relationship infrastructure as well as IT-Related capabilities. Jingfu Guo 2008.

The purpose of this paper is to develop a multi - item scale for measuring the customer relationship management effectiveness (CRME) in Indian retail banks and to examine its relationship with the key customer response variable. The results of factor analyses revealed five dimensions for CRME, namely, organizational commitment, customer experience, process - driven approach, reliability and technology - orientation. Organizational commitment, process - driven approach and reliability were found to positively affect customer satisfaction. C.Padmavathy, M.S.Balaji, V.J.Sivakumar 2012. The objective of the studies to configure the constructs of customer knowledge and CRM performance among 201 ICT companies in Malaysia. This study also examines the influence of customer knowledge as exogenous variable on CRM performance as an endogenous variable as hypothesized. Ilham Sentosa & Shishi Kumar Piaralal 2011.

### **3. OBJECTIVES OF THE STUDY**

- To study the relationship between the CRM practices and the attitude of the customers towards factors contributing to service quality.
- To identify the customer perception regarding the offers and services.
- To identify the satisfaction level of the customers at Manatec Ltd.
- To identify customer expectation in the delivering services of products.

### **4. NEED FOR THE STUDY**

- It leads to satisfied customers and eventually higher business every time.
- It goes a long way in retaining existing customers.
- It ensures customers return back home with a smile.
- It improves the relationship between the organization and customers.
- To know the customers view of sales/service.
- To improve the tools and techniques of customer relationship followed in Manatec.

### **5. RESEARCH METHODOLOGY**

Research is an art of scientific investigation. The research is a descriptive research, as it includes surveying and fact-finding. The sampling technique used in this study is simple random sampling method. The size of the sample 52 and statistical tools used in mean, standard deviation, factor analysis, correlation and Correspondence analysis. The first hand primary data were collected through questionnaires. In addition to it discussions were held with the customers. The secondary data was collected through the company profile, the company manuals, and previous year records. The analysis has been made by applying charts, tables, diagrams and statistical tools.

## 6. ANALYSIS & DISCUSSIONS

### 6.1 ANALYSIS OF DEMOGRAPHIC PROFILE

Characteristics	Distribution	Frequency
Age	Below 30	7
	30 – 40	18
	40 - 50	15
	Above 50	12
Gender	Male	44
	Female	8
Marital status	Married	45
	Unmarried	7
Educational Qualification	Schooling	8
	UG	38
	PG	6
	Others	0

**Table 6.1: Demographic Profile**

Demographic profile of customers and its frequency is listed in table 6.1. It shows the results of customer's profile, majority of the customers are male, aged between 30-40 years. 73% of customers have UG qualifications.

## 6.2 ANALYSIS OF MEAN AND STANDARD DEVIATION

Particulars	Mean	Standard Deviation
Type of equipment's you are purchased from this company	2.0000	.00000
Using this equipment	2.0962	1.07118
Prefer this company	3.6346	1.63334
Rate the fairness of your deal in manatec	2.7500	1.20253
Opinion about company interaction through e-mail and telephone calls	2.9808	1.14601
Services offered by manatec	2.0385	1.04715
Build a good relationship at manatec	2.0962	1.24080
Evaluation about the quality of the products in relation to the price	2.6731	1.13278
Maintains good customer relationship through its services	2.9038	1.17590
The company products get good word of mouth publicity	3.5192	1.19624
Rate the delivery timing in manatec	2.9423	1.16170
Rate the product process in manatec	2.6731	1.14996
The company provides any discounts on the purchase of the product	3.2885	1.16040
Quality	2.2308	.94174
Price	3.1538	1.14420
Service	2.7500	1.20253
Promotional offers	3.9038	.86907
Availability	3.2308	1.24641
The delivery system of the company	2.9231	1.08187
The acceptable number of days to have your delivery of products	2.0000	.59409
The coupons/gifts by Manatec	4.4615	.60913
The festival offers given by Manatec	4.7115	.45747
Satisfied with the service provided at Manatec	2.7115	1.14338
Queries are attended at the time	3.0577	1.10991
Collect information from customers	1.8077	1.02972
Quality	2.2885	.95664
Free services	2.7500	1.20253
Promotional offers	3.8462	.82568
Feedback form	4.5192	.61006
Delivery services	2.9231	1.08187
Insurance services	3.4808	1.05701
Satisfied with the service at the reception	2.3654	.95031
The air conditioner facility in the reception hall	2.2500	.83725
Satisfaction level with the recruitment services	3.6154	1.08743
Satisfied with the quality of applicants	3.2115	1.11753
Satisfied entertained queries in a proper manner	3.0769	1.11753
Maintaining good customer relations	2.3462	1.08256
Important is improving customer relations to a company's care strategy	1.4423	.60758
The internet in establishing good customer relations	1.5192	.64140
Company response to your complaint	2.2115	1.09072

**Figure 6.2: Mean and Standard Deviation of Variables**

The table shows that the descriptive statistics has the highest mean value of 4.7115 and the lowest mean of 1.4423. It is inferred that festival offers given by the company and important is improving customer relations to a company's core strategy.

## 6.2 ANALYSIS OF FACTORS

The purpose of this investigation was to explore the factor structure underlying the customer relationship management at Manatec Pvt. Ltd. A successful result is one in which a few factors can explain a large portion of the total variability and those factors can be given a meaningful name using the assortment of items that correlate the highest with it. Bartlett's test of sphericity indicates whether the correlation matrix is an identity matrix, which would indicate that the variables are unrelated. The significance level gives the result of the test. Very small values (less than 0.05) indicate that there are probably significant relationships among the variables. A value higher than about 0.10 or so may indicate that this data are not suitable for factor analysis. Hence, the

researcher concludes the data is suitable for factor analysis.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.767	17.665	17.665	1.767	17.665	17.665
2	1.444	14.438	32.103	1.444	14.438	32.103
3	1.261	12.605	44.708	1.261	12.605	44.708
4	1.179	11.785	56.494	1.179	11.785	56.494
5	.959	9.593	66.086			
6	.853	8.533	74.619			
7	.746	7.460	82.079			
8	.698	6.981	89.060			
9	.620	6.203	95.263			
10	.474	4.737	100.000			

**Table 6.3: Extraction Method: Principal Component Analysis**

The above table gives values, the variance explained, and cumulative variance explained for the factor solution. The first panel gives values based on initial values. For the initial solution, there are as many factors as there are variables. The "Total" column gives the amount of variance in the observed variables accounted for by each factor. The "% of Variance" column gives the percent of variance accounted for by each specific factor, relative to the total variance in all the variables. The "Cumulative %" column gives the percent of variance accounted for by all factors up to and including the current one. For instance the Cumulative % for the second factor is the sum of the % of Variance for the first and second factors. In the above table, there are a few factors that explain a lot of the variance which is a sign of good factor analysis and the rest of the factors explain relatively small amounts of variance. The Extraction Sums of Squared Loadings group give information regarding the extracted factors or components. For Maximum Likelihood extraction method, these values will generally be smaller than the initial values, due to errors in measurements.

In the "Rotation Sums of Squared Loadings" group, the variance accounted for by rotating factors or components may be different from those reported for the extraction, but the Cumulative % of the set of factors or components will always be the same. Together they are capable of explaining roughly **56.494%** of all the variable variances. A plot values are provided below. A review of the initial factor loadings suggests that the proper solution was attainable through maximum employees. The computer printout does not warn that the results are non positive definite, so one important condition for proceeding with the interpretation has been met.

Another portion of the results to inspect before proceeding with an interpretation is the table of communalities. Communalities indicate the degree to which the factors explain the variance of the variables.

Correlation	Delivery system	Coupons/gifts	Festival offers	Service provided	Service at the reception	Air conditioner facility	Recruitment services	Entertained queries in a proper manner	Maintaining good customer relation	Insurance services
Delivery system	1.000	-.034	-.125	.029	-.163	.087	-.109	.021	.207	-.121
Coupons/gifts	-.034	1.000	.417	-.199	-.060	-.192	-.023	.062	-.009	-.077
Festival offers	-.125	.417	1.000	-.162	.112	-.115	-.149	-.032	-.111	.009
Service provided	.029	-.199	-.162	1.000	.099	.220	.051	-.182	.035	-.061
Service at the reception	-.163	-.060	.112	.099	1.000	.080	-.013	.084	-.030	.017
Air conditioner facility	.087	-.192	-.115	.220	.080	1.000	-.086	.063	.119	-.271
Recruitment services	-.109	-.023	-.149	.051	-.013	-.086	1.000	-.040	-.151	.079
Entertained queries in a proper manner	.021	.062	-.032	-.182	.084	.063	-.040	1.000	.140	.068
Maintaining good customer relation	.207	-.009	-.111	.035	-.030	.119	-.151	.140	1.000	-.028
Insurance services	-.121	-.077	.009	-.061	.017	-.271	.079	.068	-.028	1.000

**Table 6.4 Correlation Matrix**

Ten questions relating to CRM were factor analyzed using principal component analysis. These four factors in combination account for 56.494% of the total variance. We can also priorities the factors based on the percentage of variance of each factor. The first factor was motivating myself to complete unpleasant but necessary tasks, Successful at dealing with the unexpected and seeing quickly, capacity to deal with multiple issues and details. The first factor is which accounts for 17.665% of the common variance. There are three items loading on this factor. The Second factor derived was thinking beyond the obvious and formulate original solutions for 32.103% of the common variance. On this factor one of the items is loaded that growth potential and job security of my job. The third factor was the ability to complete the task in the time allocated for 44.708% of the common variance. On this factor only one item were loaded that satisfaction with current responsibilities. Here the customers are taking in response the level of current responsibilities satisfaction. The fourth factor which accounts for 56.494%. Do you know enough about this work area.

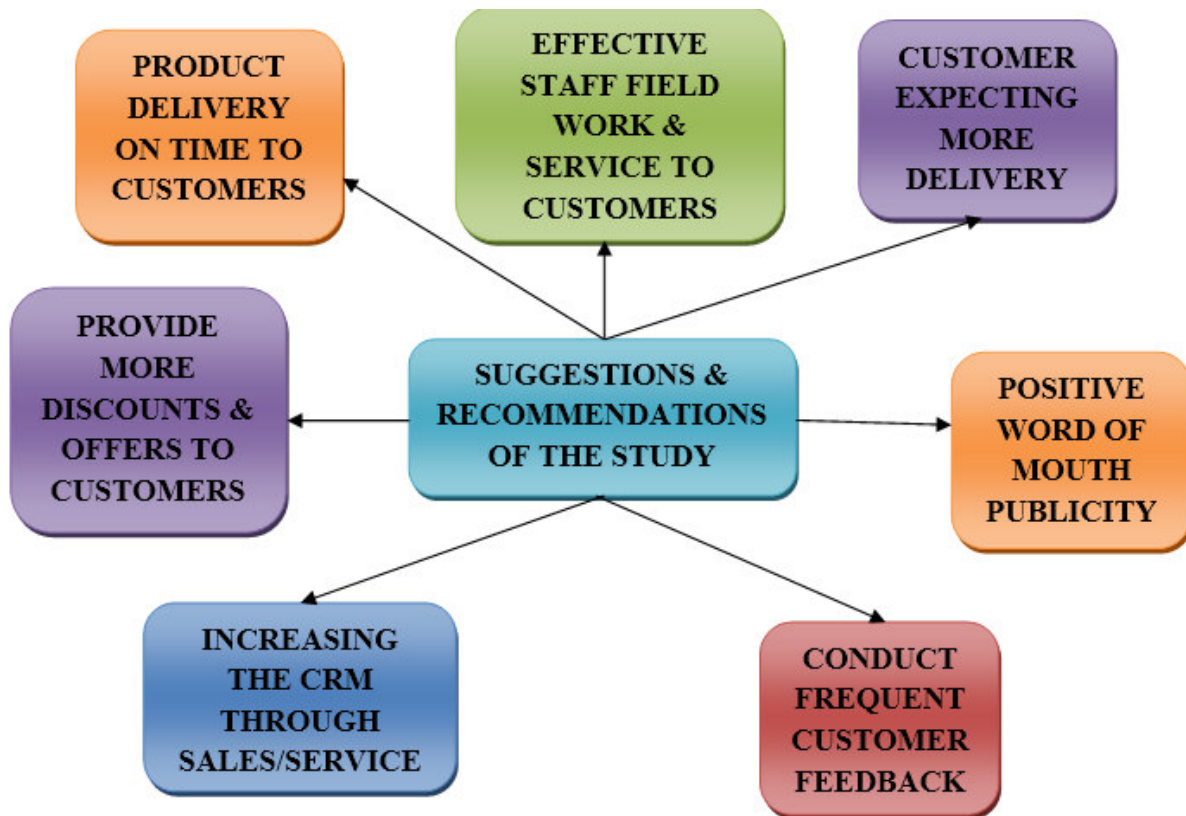
### 6.3 CORRESPONDENCE ANALYSIS

The most of the respondents of male prefer to agree with expected quality and respondents of female prefer to disagree with the expected quality. By this it can be inferred that expected quality in gender group. This also indicates that the male takes high risk and female people prefer not to take much risk.

### 7. SUGGESTIONS & RECOMMENDATIONS OF THE STUDY

- ❖ The company should also concentrate on the product delivery at the time to the customers.
- ❖ The company should provide effective staff field work and service to the customers.
- ❖ The customers were expecting more delivery services and offers for the company.
- ❖ To improve the service level, it should be getting positive word of mouth publicity to the customers will also play an important role in the company profit and maintains good customer relationships with a company.
- ❖ Frequent customer feedback may be conducted to get the opinion on the customers.
- ❖ This interaction with the customers would go a long way in increasing the customer relationship management through sales/services.
- ❖ To provide more discounts and offers to customers.





## 8. CONCLUSION

This study is on Customer Relationship Management at Manatec.Pvt.Ltd Puducherry. The customer relationship is an initiative undertaken by the management to develop a relationship between the customers and also to increase the sales/services. The factors which mostly influenced the purchase decisions of the customers were identified to be the service, price and promotional offers. The company can also take on proving the expected delivery service and offers by the customers to have an increase in sales/service.

It is concluded that positive word of mouth publicity and interacting the customers can help to increase higher sales/services and profitability in this competitive environment. The suggestions if considered can help the company to have better sales/service technique, delivery system which increases the customer relationship with the company.

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